

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 58th LEGISLATURE - REGULAR SESSION

JOINT APPROPRIATIONS SUBCOMMITTEE ON LONG RANGE PLANNING

Call to Order: By **CHAIRMAN DAVE KASTEN**, on February 17, 2003 at 8:30 A.M., in Room 350 Capitol.

ROLL CALL

Members Present:

Rep. Dave Kasten, Chairman (R)
Sen. Tom Zook, Vice Chairman (R)
Rep. Christine Kaufmann (D)
Sen. Jon Tester (D)
Sen. Joseph (Joe) Tropila (D)
Rep. John Witt (R)

Members Excused: Sen. Bob Keenan (R)

Members Absent: None.

Staff Present: Catherine Duncan, Legislative Branch
Jane Hamman, OBPP
CJ Johnson, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing & Date Posted: None
Executive Action: HB 5, 7, 12, and HB 560

CHAIRMAN KASTEN opened the Committee hearing and executive action on HB 5, 7, 12 and HB 560.

Tim Burton, Helena City Manager, updated the Committee on action that had taken place at the last legislature on the progress of the Montana Historical Society in their effort in finding a location for a new museum. He said that the Committee from last session wanted the city of Helena and the Historical Society to form a partnership and work together in locating a place for the museum and raising funds. **Mr. Burton** said they have discussed several locations with the Department of Administration (DOA). He said that they have also discussed with the City and County regarding the purchasing of the old armory that has been abandoned for new headquarters out at Fort Harrison, to place the new museum. The building is not available because DOA is moving Department of Environmental Quality (DEQ) staff in there. **Mr. Burton** informed the Committee that with the bonds and other outside funding sources, they will be able to come up with the matching funds for this project. He said Arnie Olsen from the Montana Historical Society is here to update the Committee on the progress that has taken place in the study of location and design for a new museum.

Arnie Olsen, Director of the Montana Historical Society, distributed a handout that is similar to the one that he distributed at the last session (Exhibit 1). He said the City and County both pledged dollars for a study to determine where the most suitable location would be for a new museum. He said the U.S. Forest Service also donated money because the City and County were looking at land that belonged to the Forest Service. **Mr. Olsen** said the Historical Society was able to raise \$25,000 in private funds to start the site selection process. He reviewed with the Committee members the different locations that might be possibilities for the Historical Society Museum's new location. He said they were before the Committee not only for advice, but also how to proceed in this matter. **Mr. Olsen** said it is nice to work with a community, City of Helena and Lewis and Clark County Commissioners, and this Committee to find a solution and receive a total consensus for the new museum.

EXHIBIT (j1h35a01)

CHAIRMAN KASTEN responded to the informational review by Tim Burton and Arnie Olsen, stating they have come a long way since last session. He suggested that when they come back to the next session to have a floating bond, and visit with the County Commissioners in developing a mill levy to assist in the funding for a new museum.

{Tape: 1; Side: A; Approx. Time Counter: 15 - 18}

Ron Alles, Commissioner of Helena, gave a brief review of the commitment they have in working with the museum and the community in assisting in the relocation for museum.

EXECUTIVE ACTION ON HB 7

CHAIRMAN KASTEN asked for a motion to open HB 7 for discussion.

Motion: SEN. ZOOK moved that HB 7 BE OPENED FOR DISCUSSION.

Discussion:

Cathy Duncan, LFA, distributed two sets of amendments for discussion by the Committee, (Exhibit 2, # 000701.abm), and (Exhibit 3 #000701.ate).

EXHIBIT(jlh35a02)

EXHIBIT(jlh35a03)

Motion/Vote: SEN. ZOOK moved TO ADOPT THE AMENDMENT (Exhibit 2 #000701.abm) FOR HB 7. Motion carried unanimously.

Motion/Vote: SEN. ZOOK moved that HB 7 DO PASS AS AMENDED. Motion carried unanimously.

{Tape: 1; Side: A; Approx. Time Counter: 18 - 30}

EXECUTIVE ACTION ON HB 5

CHAIRMAN KASTEN asked for a motion to open HB 5.

Motion: SEN. ZOOK moved that AMENDMENT (Exhibit 4 #000501.ate) BE ADOPTED. (Exhibit 4)

EXHIBIT(jlh35a04)

Discussion:

Cathy Duncan, LFA, distributed the amendment for HB 5 prepared by Todd Everts, stating it is for housekeeping purposes and clarifies language.

CHAIRMAN KASTEN reviewed each section of Exhibit 4 that will be voted on separately:

Amendment #1	-	extends title to include clarifying language
Amendment #2	-	is a funding switch for UM of Butte
Amendment #3	-	adds auxiliary funds in lieu of Long-Range building.
Amendment #4	-	is a funding switch
Amendment #5	-	reduction to the U of M spending authority

The rest of the amendments were discussed as the Committee went through the bill.

Motion/Vote: SEN. ZOOK moved **AMENDMENT #1 IN THE TITLE OF HB 5, DOWN TO END OF "TITLE 39;" BE ADOPTED** (this clarifies language requested by DPHHS for the OLD MAIN Building at the Montana Columbia Falls Veteran's Home). **Motion carried unanimously.** Voice vote was taken.

CHAIRMAN KASTEN informed the Committee that this motion will strike "exempting" in the title, and insert the rest of the language listed in Exhibit 4 of the title.

CHAIRMAN KASTEN asked for a do pass motion on Amendment #2 Page 2 Line 1.

Motion/Vote: SEN. ZOOK moved **AMENDMENT #2 FUNDING SWITCH FOR U of M BUTTE-CODE COMPLIANCE AND DISABILITY ACT TO STRIKE \$550,000 AND INSERT \$480,000 BE ADOPTED.** (This motion is to reduce the spending authority.) **Motion carried unanimously.**

Motion/Vote: SEN. ZOOK moved **AMENDMENT #3 PAGE 2 LINE 2, TO INSERT AUXILIARY FUNDS FOLLOWING \$300,000 BE ADOPTED.** **Motion carried unanimously.**

CHAIRMAN KASTEN asked for a motion on Amendment #4 Page 2 Line 2.

Motion/Vote: SEN. ZOOK moved **TO STRIKE \$170,000 AND INSERT \$240,000 INCLUDING STRIKING \$190,000 AND INSERTING \$120,000.** (This amendment is coordinated with Amendment #2.) **Motion carried unanimously.**

Discussion:

CHAIRMAN KASTEN said that Amendment #5 Page 2 following Line 29, will insert language that gives U of M the authority to do four projects. This motion is for spending authority only for two

projects at MSU, and two projects for U of M. He called for a motion.

Motion: SEN. TESTER moved AMENDMENT #5 THAT THE SPENDING AUTHORITY FOR THE TWO PROJECTS AT MSU, AND TWO PROJECTS FOR U OF M BE ADOPTED.

Discussion:

SEN. ZOOK asked if the \$3.7 million applies to all four projects, or if this money applies just to the Ecosystem Interpretive Center. Ms. Hamman responded that all of the \$3.7 million applies to the Federal Special Revenue, donations, grants, State, and Higher Education Funds for Yellow Bay Interpretive Center and Nature Trail. SEN. ZOOK said he wants to segregate the \$3.7 million for Yellow Bay from the other three projects.

Motion: SEN. ZOOK moved TO SEGREGATE YELLOW BAY ECOSYSTEM PROJECT FROM THE OTHER THREE PROJECTS.

Discussion:

SEN. ZOOK said the price is too high for what they want to do with this project. The Committee was informed that the project is to be able to interpret to the public the eco system in the Flathead area, and present to the public the various eco systems, and how the people and businesses in the area can work hand in hand.

REP. WITT said that the legislature is working with limited funds this session, and said that this project can wait until another session. He informed the members that he didn't feel this project should be included in the packet.

REP. KAUFMANN asked if there have been monies raised for this project. Bill Johnson, U of M, said he is not aware of any. He said that all this amendment does is ask for authority to raise the money. He said the trail system connects with existing trails and several historical trails. Mr. Johnson said that the facility at Yellow Bay is used extensively by the public, and isn't used as a research center.

{Tape: 1; Side: A; Approx. Time Counter: 10 - 22}

REP. KAUFMANN asked what would be the downside of allowing the University the authority to find the monies to fund the Yellow Bay project. CHAIRMAN KASTEN responded, stating that once

authority is given they can come back the next session with money in hand, but will be requesting for more spending authority.

CHAIRMAN KASTEN said he wanted to discuss this issue with SEN. KEENAN before any action is taken. He said to continue with the rest of the amendments and the Committee will work on this one later. (**Action on previous motions was suspended.**)

CHAIRMAN KASTEN said Amendment #6 Page 3 Line 9, is a reduction in projects to strike \$3 million and insert \$2,725 million.

Motion/Vote: SEN. TESTER moved **TO ADOPT AMENDMENT #6 TO REDUCE PROJECTS TO STRIKE \$3 MILLION AND INSERT \$2,725 MILLION BE ADOPTED.** Motion carried unanimously. Voice vote was taken.

CHAIRMAN KASTEN said that Amendment #7 Page 3 Lines 11 through 14, is a clarification in the title by legal staff.

Motion/Vote: SEN. ZOOK moved **AMENDMENT #7 FOR CLARIFICATION PURPOSES ONLY BE ADOPTED.** Motion carried unanimously. Voice vote was taken.

CHAIRMAN KASTEN said that Amendments #8 Page 3 Line 29, and #9 Page 3 Line 30, are together. These amendments are highway funds that are currently with the Fish, Wildlife, and Parks (FWP) projects, and need to be transferred back to Montana Department of Highways (MDT). The motion is to reduce the funds from FWP, and transfer the funds to MDT.

Motion: SEN. ZOOK moved **TO TRANSFER FUNDS FROM FWP PROJECTS TO MDT PROJECTS.**

Discussion:

SEN. TROPILA wanted to know where the \$800,000 from FWP will go, and what will MDT do with it. **Doug Munger, FWP**, said the motion will move the funds from FWP and move it into the cash balance of MDT. He said that the projects to be funded with this will not have any federal matching dollars against this. **Mr. Munger** said that MDT will be using the money to improve the roads into State Parks such as:

- 1) Hell Creek where they have a County Coop project that will use \$200,000 from this fund. He said that they will be able to find a match of \$400,000 federal voting funds to improve a 26 mile gravel road from Jordan to Hell Creek.
- 2) Chip seal projects that have already been through phase 1 should be done again. He said that MDT will use

approximately \$100,000, and \$50,000 will be federal monies they will be able to collect and add to this project.

- 3) Cooney Reservoir will be a County Coop project on a 1:1 match. He said that the Travel's Rest, the new Lewis and Clark sight near Lolo, needs a new initial road into this sight for the Lewis and Clark Expedition. He said this will be matched with private and federal land and water conservation funds. He said that Clark's Lookout by Dillon is also a special preservation for the Lewis and Clark Bicentennial, and will also be matched with federal land and water funds, plus private funds from the town of Dillon. The Pishkin Road project is also a County Coop project that will use \$200,000 of highway funds and \$100,000 of in-kind monies (private).
- 4) The Giant Springs project is a reconstruction of failed sections next to the river in town.

CHAIRMAN KASTEN asked Mr. Munger if MDT receives any monies from the counties. **Mr. Munger** responded, stating that the \$750,000 from this motion, and another \$700,000 that they will receive is part federal and some county funds. He said there are some counties that can put up cash, and other counties that will put up in-kind, such as diesel fuel and dump trucks.

{Tape: 1; Side: B; Approx. Time Counter: 22 - 28}

CHAIRMAN KASTEN asked for a conceptual amendment to designate these funds for the four projects listed above.

Substitute Motion: **SEN. TROPILA** made a **SUBSTITUTE MOTION TO LEAVE THE MDT FUNDS IN FWP AND EARMARK THE PROJECTS LISTED BY FWP TO THOSE FUNDS.**

Discussion:

REP. WITT asked if someone from MDT could review the department's position, and inform the Committee what the motion is accomplishing.

John Blacker, MDT, discussed the monies from FWP and the transfer back into the MDT cash flow fund issue. He said they are trying to establish a balance from the transfer of the FWP funds, because MDT funds had been reduced, and cuts they will receive from HB 2. He said the department will be reduced by \$6 million, but the department is looking at approximately \$9 million in cash flow. **Mr. Blacker** said they might be the managers of the state's special revenue account, but they also use about 62 percent of

it. He said when adjustments are made through the cities and counties, those adjustments are made through the MDT budgeting process, and the reason they are trying to balance their cash flow.

CHAIRMAN KASTEN asked Doug Munger if this motion doesn't pass, what options FWP has to meet the commitment on the repair of the highways. **Mr. Munger** said it is a 1:1 match. The highway fund of \$750,000 which is included in the motion, and the match FWP planned on is \$700,000. **CHAIRMAN KASTEN** asked if the \$700,000 is committed from the counties. **Mr. Munger** replied if they have the \$750,000 in hand, than they are in a better position to negotiate with the counties to make that commitment.

Substitute Motion/Vote: **SEN. TROPILA** restated the substitute motion **TO ADOPT AMENDMENT #8 AND #9 IN HB 5 AND LEAVE THE FUNDS IN FWP. Motion carried 5-2 with SEN. ZOOK AND SEN. TESTER voting no.** Roll call vote was taken. (Amendment #8 leaves in the original amount of \$1,250 million instead of reducing it to \$900,000; amendment #9 leaves in the original amount of \$800,000 instead of reducing it to \$450,000.)

{Tape: 2; Side: A; Approx. Time Counter: 1 - 27}

Motion/Vote: **SEN. ZOOK** moved to **ADOPT AMENDMENT #10 PAGE 4 Line 12 WHICH ADDS ADDITIONAL FUNDING SOURCE AND INSERTS "STATE AND HIGHER ED FUNDS" THROUGH THE FUND SOURCES. Motion carried unanimously.** Voice vote was taken.

Motion/Vote: **SEN. ZOOK** moved **AMENDMENT #11 PAGE 4 Line 16 FOR MDT TO STRIKE \$2 MILLION AND INSERT \$1,620,860 BE ADOPTED. Motion carried unanimously.** Voice vote was taken.

Discussion:

Jane Hamman, OBPP, explained the amendment stating that MDT requested the Committee take this action to reduce the funds due to a project that they will not be able to do this biennium, and they will come back with their request in the next session.

Motion/Vote: **SEN. ZOOK** moved **AMENDMENT #12 PAGE 4 FOLLOWING Line 12 TO INSERT LANGUAGE WHICH IS A REQUEST FOR GENERAL SPENDING AUTHORITY FOR \$11.5 MILLION FOR ALL CAMPUSES BE ADOPTED. Motion carried unanimously.** Voice vote was taken.

Cathy Duncan, LFA, explained the amendment stating it will give MSU general spending authority. She said that the U of M had

been included in HB 5 in a previous motion, but MSU had been excluded.

CHAIRMAN KASTEN said that Amendment #13 Page 6 following Line 26, inserts language which is a request to strike spending authority on the Life Sciences Building, UM-Missoula for \$23 million in federal, state, and other funding sources. He informed the Committee that a motion isn't required at this time, because it is for spending authority only. **SEN. ZOOK** asked if this goes back to the title part that the Committee didn't do any action on previously. **CHAIRMAN KASTEN** responded, "Yes." **Ms. Duncan** said this project is from the 1999 session. **SEN. TESTER** asked if any monies had been raised for the project when they had been given the authority. **Mr. Johnson** spoke on behalf of President Dennison, U of M, that they had not been able to raise any money, and they would be comfortable if nothing is done with it at this time. He said this project has been on the books for a number of years, but fell through when a gift they were expecting of multi-millions was not received. He said they would like to keep it on the list, even if there hasn't been any progress done at this time. **REP. KAUFMANN** reiterated that U of M wouldn't mind if it wasn't recaptured at this time. **SEN. ZOOK** said that the project doesn't add or subtract from any of the funds and to leave it alone.

SEN. ZOOK asked if the Committee can take care of the Yellow Bay project at this time.

SEN. ZOOK withdrew his motion to segregate the Yellow Bay Project from the other projects that had been made earlier.

CHAIRMAN KASTEN informed the Committee that **SEN. KEENAN** wanted the Yellow Bay Project to be included with the other projects listed in the original motion, and asked for a motion to include this project with the previous motion on Amendment #5 Page 2 following Line 29.

Motion/Vote: **SEN. TROPILA** moved **TO INCLUDE YELLOW BAY PROJECT, AMENDMENT #5. Motion carried 5-2 with SEN. ZOOK AND REP. WITT voting no.** Voice vote was taken.

Motion/Vote: **SEN. ZOOK** moved **HB 5 DO PASS AS AMENDED. Motion carried unanimously.** Voice vote was taken.

CHAIRMAN KASTEN informed the Committee that MDT have made a request for authority to transfer funds from the Manhattan project to purchase a building on eight acres of land in Glendive. He asked Jane Hamman, OBPP, to explain the request. **Ms. Hamman** said this request refers to HB 5 from the last

session. She said "that MDT had made a request to do a different project with the money that had been designed for Manhattan. OBPP follows what is presented in testimony as legislative intent. For the purpose of changing the intent, a motion has to be made for the minutes that the Committee is approving MDT request to indicate that they will do the Glendive project instead of the Manhattan project".

Motion/Vote: SEN. ZOOK moved TO ALLOW MDT TO TRANSFER FUNDS FROM MANHATTAN PROJECT TO THE GLENDIVE PROJECT THAT ALLOWS THEM TO PURCHASE A BUILDING ON EIGHT ACRES OF LAND. Motion carried unanimously. Voice vote was taken. This motion is at the request of MDT to reflect on the minutes that the Long Range Planning Subcommittee has granted them this request to change projects.

SEN. ZOOK informed the Committee when this property became available in Glendive it became a higher priority to MDT than the Manhattan project. Mr. Blacker, MDT, said the L.P. Anderson property became available in Glendive, which has facilities on it that can be made into office space. He said they will also move the shop from the current location to this place.

{Tape: 2; Side: A; Approx. Time Counter: 21 - 29}
EXHIBIT(j1h35a05)

EXECUTIVE ACTION ON HB 12

SEN. ZOOK informed the Committee there is a misprint on Page 3, Line 6. He said it should read Lewistown instead of Helena.

Motion/Vote: SEN. ZOOK moved TO STRIKE HELENA AND INSERT LEWISTOWN ON PAGE 6 LINE 3 in HB 12. Motion carried unanimously. Voice vote was taken.
EXHIBIT(j1h35a06)

EXECUTIVE ACTION ON HB 560

Motion: REP. KAUFMANN moved that HB 560 DO PASS.

Discussion:

CHAIRMAN KASTEN informed the Committee what HB 560 will do. He said that HB 560 will authorize the creation of state debt through the issuance of general obligation bonds to construct a new facility for the U of M-Helena College of Technology (HCT) for the biennium ending June 30, 2005.

REP. KAUFMANN said HB 560 will give the HCT spending authority for \$7.2 million in general obligation bonds which will not be let until the next biennium, and the reason why the fiscal note reflects zero dollars. **SEN. TROPILA** asked where the money will come from. **REP. KAUFMANN** said there is a long-term impact that will add to the debt service by the state. She said the building is in good shape and HCT will be able to get a good price for it. In addition to the current location of the main building, she said there are five other sites that students have to travel to and from for classes. This proposal will allow HCT to consolidate the campus in one area.

SEN. ZOOK said that the provision for general obligation bonds will obligate future legislatures. He said he is going to make a substitute motion to postpone HB 560. **REP. KAUFMANN** discussed the options with the Committee and what will happen if it goes to the full House Appropriations Committee. **SEN. ZOOK** informed the Committee the postponement is only a recommendation to the House Appropriations Committee that the bill is indefinitely postponed. He said the House Appropriations can still act on the bill because subcommittees can only make recommendations to the House. **SEN. TESTER** said he would like to see this Committee pass the bill out to the House Appropriations Committee, stating it has merit and it would give HCT a chance. **CHAIRMAN KASTEN** said he would like to see HCT come back in two years with a \$3 million bonding authority, funds and support from the community and county.

REP. WITT called the question.

Motion/Vote: **SEN. ZOOK** moved TO POSTPONE HB 560 AND GIVE IT TO FULL HOUSE APPROPRIATIONS COMMITTEE. Motion carried 4-3 with **SEN. TESTER, SEN. TROPILA** and **REP. KAUFMANN** voting no. Roll call vote was taken.

SEN. TESTER informed the Committee that Mike Mahoney, Warden of the Montana State Prison, Department of Corrections, is here to update the Committee on the progress on the Central Reception Unit project that had been requested and given authority to construct by this Committee. He said that the project is currently under construction. There had been a delay due to requirements of federal dollars, and as a result of not receiving it, they had to go back and do another environmental impact study. He said they had to give the public a certain length of time to respond, and this also caused a delay. It is an 18-month project, and they are only three months into it at this time.

SEN. TESTER asked what is the estimated time for occupancy. **Mr. Mahoney** said the estimated time for occupying the facility is approximately by the fall of 2004. **Mr. Mahoney** informed the

Committee that the environmental impact study didn't cost them anything because it was done by the State.

CHAIRMAN KASTEN asked Mike Mahoney about the DUI and Geriatrics issue. **Mr. Mahoney** said the DUI program is being addressed with the operation in the Xanthopoulos building at the Warm Springs Campus, and is done by contract through the Department of Corrections. He said that Mr. Thatcher from Community and Counseling Corrections Consortium, was awarded the contract to run the program. It has a 140-bed capacity, which is full, and they have a waiting list. He said the Central Reception unit is the one that is currently under construction. He wanted to bring a proposal to the legislature this year to remodel the geriatrics unit, but said it is a viable proposal that will need to be considered at a later date. **SEN. TESTER** asked how many prisoners are in the geriatric unit. **Mr. Mahoney** said it is approximately 125, but it depends on how many of the prisoners are over the age of 65 that have health care issues.

CHAIRMAN KASTEN said that Cathy Duncan has reminded him to mention the amendment for HB 177 be made to increase the Architecture & Engineering Division (A&E) Long Range Building share of the Coal Severance Tax from ten percent to 10.25 percent. Without this amendment the A&E fund balance will be negative. **Ms. Duncan** said given the HJ 2 estimates, A&E is approximately \$143,000 in the negative. She said the idea is to do this amendment which will get them back to a positive balance. **CHAIRMAN KASTEN** said it is out of the Committee's hands, but wanted to inform them of this information. **Ms. Duncan** said the funds will come from the Coal Tax distribution funds. **CHAIRMAN KASTEN** said that the cuts have reduced A&E from 12 percent to 10, and this amendment will raise it to the 10.25 percent, an increase to reach the \$143,000. **Ms. Hamman** informed the Committee that the funds actually come from general funds, then the coal tax funds will be deposited into the general fund account, then it is distributed.

{Tape: 3; Side: A; Approx. Time Counter: 1 - 20}

REP. KAUFMANN discussed an amendment for HB 560 under the University of Montana. The Committee asked questions and **REP. KAUFMANN** responded.

CHAIRMAN KASTEN closed and thanked the Committee for a good session.

ADJOURNMENT

Adjournment: 11:00 A.M.

REP. DAVE KASTEN, Chairman

CJ JOHNSON, Secretary

DK/CJ

EXHIBIT (j1h35aad)